GOVERNMENT OF ANDHARA PRADESH
ABSTRACT

Energy (Pr-III) Dept - A.P. Reorganization Act, 2014 - APPFCL - Demerger of Government Companies / Corporations / Entities in the Schedule-IX of A.P. Reorganization Act, 2014 - approval of the Demerger plan of M/s.A.P.Power Finance Corporation Ltd, as per the provisions of the A.P.Reorganization Act, 2014 - Approved - Orders - Issued.

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ENERGY (POWER-III) DEPARTMENT

G.O.MS.No. 21 Dated: 08-07-2019

Read the following:-

1. From Dr.(Mrs.) Sheela Bhide, IAS (Retd.), Chairperson, Expert Committee for approval of the Demerger proposals of Government Companies / Corporations / Entities in the Schedule-IX of A.P.Reorganization Act, 2014, D.O.Lr.No.5614/Expert Committee/2014, dated 15/03/2018.
2. From the Managing Director, A.P. Power Finance Corporation Ltd, Letter No.MD/AAO/APPFCL/D.No.670/2018, dated 09/05/2018.

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ORDER:-

In the D.O. Letter 1st read above, the Chairperson, Expert Committee for approval of the Demerger proposals of Government Companies / Corporations / Entities listed in the Schedule-IX of A.P.Reorganization Act, 2014 has examined the revised demerger plan of A.P.Power Finance Corporation Ltd (APPFCL) and the dissent note of Managing Director, Telangana State Power Finance Corporation Ltd, and various other issues relating to A.P. Power Finance Corporation Limited. In the final report the Expert Committee accepted the principle of apportionment of the Bond liability against the DISCOMs as indicated in the Revised Demerger proposal submitted by the Managing Director, A.P.Power Finance Corporation Ltd, and also recommended the Revised Demerger Plan as submitted by Managing Director, A.P.Power Finance Corporation Ltd. The majority members of the Expert Committee stated that based on their recommendations on the fact that the Govt.of A.P., had never accepted the bond liabilities as Govt. debt and APPFCL along with DISCOMS are showing the amount payable / receivable to each other in their books of Accounts.

2. In the reference 2nd read above, the Managing Director, A.P.Power Finance Corporation Ltd, has informed that Dr.(Mrs.) Sheela Bhide, IAS (Retd), Chairperson of Expert Committee communicated the Demerger plan of Andhra Pradesh Power Finance Corporation Ltd. Based on the recommendations of the Expert Committee, the M.D., A.P. Power Finance Corporation Ltd, has requested the cooperation of M.D., Telangana State Power Finance Corporation Ltd, (TSPFCL) vide his Letter No.MD/AAO/APPFCL/ D.No.653/2018, dated 19/04/2018 to carry out all such acts necessary as per the Expert Committee Demerger proposal. In reply, the Managing Director, Telangana State Power Finance Corporation Ltd, informed vide Letter No.MD/TSPFCL/Demerger proposal/ D.No.47/2018, dated 02/05/2018 while forwarding the demerger plan that the opinion given by the TSPFCL has not been considered by the Expert Committee and hence the TSPFCL cannot accept the recommendations of Expert Committee.

(P.T.O.)

3. Based on the recommendations of the Expert Committee as in the reference 1st read above and also the request of the MD., APPFCL, the Government after careful examination of the proposal, hereby approve the final demerger proposal for division of assets and liabilities of the A.P.Power Finance Corporation Ltd, as per the provision in the Schedule IX of A.P. Reorganization Act, 2014 as recommended by the Chairperson of Expert Committee.

4. The Managing Director, A.P.Power Finance Corporation Ltd, shall take further necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR ANDHRA PRADESH)

SRIKANT NAGULAPALLI
SECRETARY TO GOVERNMENT

To
The Managing Director (FAC), A.P.Power Finance Corporation Ltd, # 48-12-16,
2nd Floor, East Wing, Vidyut Soudha, Gunadala, Vijayawada - 520 004
The General Administration (SR) Dept (W.r.t. File C.No.561/GAD/SR/ADMP/2018)
The P.S.to Chief Secretary to Government
The P.S.to Minister for Energy
The P.S.to Prl.Secretary to C.M.
SF/SCs (File C.No.1504/Power-III/2015) (Computer No.69662)

//FORWARDED:: BY ORDER //

SECTION OFFICER